

The 13/15/17% Procedure

Tennessee Film, Entertainment & Music Commission

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*You do not need to complete these steps until you are “greenlit” for Tennessee production.
Please read through all of the forms prior to beginning the application process.*

BEFORE PRODUCTION:

1. Register your Production Company for a Certificate of Conditional Eligibility with the Tennessee Film, Entertainment & Music Commission (TFEMC) using **Form A**. Forms can be found at www.film.tennessee.gov under “Incentives.” Mail or fax the form. **Please include all contact information!** You will be contacted once the TFEMC has received your form.

If approved, the state will issue a certificate of conditional eligibility to the authorized applicant. The receipt of the certificate of conditional eligibility does not guarantee availability of the expense rebate nor the amount of the rebate which is contingent on the final budget and the productions meeting the requirements of the incentive plan. In addition the actual receipt of the incentive rebate is subject to the availability of incentive funds for the program and a mutually executed Tennessee state contract.

2. Submit a copy of the script to the TFEMC. Preferred method for sending script is Final Draft in PDF via email to tn.film@state.tn.us or by mailing a hard copy. If you are requesting any assistance from our Location department, please also include a location breakdown.
3. Production Company must provide adequate assurances (financial and otherwise) of their ability to complete production.
4. Once the production is approved for a Certificate of Conditional Eligibility, a meeting will be scheduled with the TFEMC. This meeting should include your *Head Accountant, Line Producer and/or UPM and/or Production Supervisor*.

DURING PRODUCTION:

Each Tennessee resident employed on your production must complete **Form B**, a Declaration of Residency form **and** provide proof of residency, which should be a copy of a valid Tennessee driver's license.

5. Keep a detailed account (ledger), in print and on CD, of all expenditures incurred in Tennessee during pre-production, production and post (if applicable).
 - o Full vendor names must be clearly visible on ledger
 - o Any credit card purchases must include detail of purchases/vendor names
 - o Make copies of each employee's *Declaration of Residency* form and attach proof of residency and sort alphabetically by last name
 - o Make copies of petty cash envelope summaries (copy the front of each petty cash envelope) and sort by PC envelope number
 - o Make copies of receipts (keep originals for your records) in case they are requested from the Tennessee Department of Revenue. If possible, scan your invoices/receipts into PDF files and submit on CD

AFTER PRODUCTION:

6. Once production is completed, use your records to compile a comprehensive ledger of Tennessee expenditures and calculate your potential rebate. Do not complete your ledger until your very last Tennessee expenditure, which would include any post-production.

7. Please provide proof of the following: *"Upon the completion of principal photography, Production Company must post a notice, once a week for 3 consecutive weeks, in local newspapers in each Tennessee location where production took place, notifying the public of the need to file creditor claims with the production company by a specified date. Production company agrees that outstanding obligations are not waived by a creditor failing to file such claim by the specified date. Production company will not be entitled to receive any incentives, nor will they file any of their claims therefor with the state, until the Tennessee Department of Revenue notifies TFEMC that the production company has complied with all its obligations under this program."*

Please include production title, address, phone, fax, and contact name(s) for your primary or corporate office - not your Tennessee production office - as vendors need to be able to contact you after you have closed your local production office. Please submit this information to the TFEMC *and* fax a copy of the newspaper bill for all three weeks to the TFEMC. This information will also be posted on the web site of the TFEMC for sixty (60) days.

8. The TFEMC will need copies of the following information:

- ☐ Final Budget
- ☐ General ledger
- ☐ **Total** dollar amount spent in Tennessee (including labor)
- ☐ Total Tennessee payroll figure
- ☐ Total Payroll report (excluding/obscuring social security numbers)
- ☐ Independent Auditor's Report
- ☐ Certificate of Legal Existence from the Tennessee Secretary of State
- ☐ Certificate of Insurance
- ☐ Total number of Tennessee crew members hired (please include prep crew, construction, caterers, teamsters, production office, etc... Do not include day players or extras.)
- ☐ Crew call sheets
- ☐ Average Tennessee crew size (per day) for prep
- ☐ Average Tennessee crew size (per day) for shoot
- ☐ Declaration of Residency Forms - attach proof of residency and alphabetize by last name
- ☐ Prep dates & Number of prep days
- ☐ Shoot dates & Number of shoot days
- ☐ Distribution Plan
- ☐ List of all Tennessee locations used
- ☐ Final Crew list
- ☐ Final Vendor list
- ☐ Vendor invoices and proof of payment
- ☐ Petty cash envelope summaries sorted by PC envelope number
- ☐ At least one copy of the production (due upon completion)

9. Complete **Form C**, the incentive application. Mail your completed package. Make sure to submit the **application** and **all supporting documents**.

NOTE: FEWER MISTAKES EQUAL A FASTER REBATE!

Upon review by the TFEMC, this package may be forwarded to the TN DEPT. OF REVENUE. They will review your claim *line by line* and return the form to you with the approved amount. Sorry, the TFEMC nor TN DEPT. OF REVENUE cannot estimate the length of time the audit process will take.

10. Once your incentive application is received, the production contact will be notified by the TFEMC. In order to receive the rebate at the end of production, all productions will need to enter a contract with the State of Tennessee.

For questions regarding the tax incentive program, you may contact the TFEMC: (615) 741-3456 or tn.film@state.tn.us